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Security at GAO Tightened After Soviet's Queries

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On Jan. 19, 1979, Vladimir Kvasov, a naval attache at the Soviet Embassy in Washington, walked into the General Accounting Office headquarters here and asked for a list of numbered reports on U.S. military affairs.

Foreign attaches are sort of legal spies and it is not unusual for them to travel around to government agencies collecting public documents. In fact, later that year Kvasov traveled to Nevada, tailed all the way by FBI agents in western garb, and collected unclassified documents about possible MX missile basing sites.

But on this trip to the GAO, Kvasov asked for several highly classified reports, in addition to the publicly available ones. Some of them hadn't even been printed at the time, much less issued.

The Soviet attache apparently wasn't given the classified documents he requested. But faint alarm bells sounded. A week later a secretary in the office sent her boss a note saying, "It seems unusual that this person should have accurate numbers, prior to publication, for so many reports that have restricted access." No superior acted on the information, however.

Three months later, Kvasov was back again. This time he signed in to visit the public documents room. But he apparently strolled unaccompanied through the building first because he didn't show up at the document room for nearly half an hour.

When he did, he requested several more classified reports, including one dated only two days earlier, on the electronic jamming system of the EF111A fighter-bomber.

The plane is capable of carrying nuclear bombs over the Soviet Union from bases in Britain and West Germany. The Soviets obviously would covet any information that could be used to counter American radar jamming systems. The report hadn't even been sent to other agencies for comment at the time, a security review found.

Again, there's no sign the Soviet officer was given the secret reports. But the series of visits raised troubling questions. How could Kvasov know the numbers of reports that hadn't even been issued? Did he have inside help? Was there a Soviet "mole"—an inside source—in the investigative arm of Congress?

The FBI finally was called in to investigate. A months-long counter-intelligence inquiry couldn't find any "mole," law enforcement sources said. But a companion check of security measures at the GAO uncovered several weaknesses.

Although less than 5 percent of the GAO's reports are classified, its weapons system analysts have access to much highly classified material. The security check found classified work papers in unlocked filing cabinets and microfiche (sheets of microfilm) of classified reports mixed in with unclassified material. The check led in August to a tightening of procedures by then-Comptroller General Elmer B. Staats.

In a memo to all his division directors on Aug. 3, 1979, Staats announced several changes to restrict access to classified material and added:

"Finally, I frequently get the feeling that some of our reports are cluttered with a lot of precise classified data that is not essential to an understanding of our report message. Accordingly, during the preparation of reports the staff should 'write around' such data whenever feasible. While such efforts might not permit declassifying the entire report, the amount of data subject to being compromised will be reduced."

Nearly 2½ years later, the new security system is still not completely in place, and GAO officials concede that a Vladimir Kvasov could still walk into the building unchallenged.

In a recent telephone interview Staats said he recalled the concern generated by the Soviet attache's visits and requests. "I asked [FBI Director William H.] Webster to come in and check it out," he said. He acknowledged that the GAO was concerned about the possibility of a "mole."

"I never saw the FBI's written report. What we did as a result was decide to put in a whole lot of additional security." This included procedures such as an electronic pass system like the one in use at the FBI, and closing off stairwells, Staats recalled.

The story of the Soviets' interest in the GAO and the security overhaul there was raised recently by Ralph C. Sharer Jr., a former GAO auditor who is now facing dismissal on unrelated matters from his job at the National Aeronautics and Space Administration's inspector general office.

Sharer said, when contacted by a reporter, that he worked with the FBI on what he calls the "Vladimir affair." He left the GAO last year after he criticized the agency security leadership and was reassigned, he said.

"GAO security was virtually nonexistent," he said. "There was a high probability that the Soviet intelligence services were successful in obtaining internal GAO information." He also contends that the GAO botched any chance to find the possible inside source by warning the weapons analysis division that it might be the target of Soviet spies.

Sharer also has told his story to Congress. A member of the investigative staff of Sen. Orrin G. Hatch (R-Utah) said the FBI authenticated the documents in a 200-page report Sharer filed in the NASA case. He also is being referred to GAO oversight committees, which GAO had not told about the security lapses, the aide said.

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After joining the GAO in 1976, Sharer said he rose from GS9 to GS13 in four years and received two merit commendations for his work. In 1978 he was selected to go to the Pentagon's Defense Intelligence School.

When he graduated in June, 1979, he worked for a few months on the Kvasov incidents and briefed Staats on what he saw as the agency's security weaknesses. But former colleagues interviewed during the NASA case said he began to have a "fixation" over intelligence matters.

He was taken off the case after refusing to give classified documents to Clario Pin, a top administrator at the GAO, who had been in charge of security.

"I thought he [Sharer] was seeing things under the bed," Staats recalled. "He would add two and two and get a lot more out of it" than four. Sharer's current troubles at NASA began early this year when he filed allegations of financial misconduct against colleagues in the IG's office there. His firing was recommended early this month after another IG office studied his charges and found them groundless. The report included "derogatory" remarks from GAO employees about Sharer's credibility.

Sharer countered with a 200-page rebuttal, including the outlines of the GAO/Soviet story. He raised the issue, he said, to show that his former colleagues tried to discredit him because he had uncovered GAO security problems they didn't want exposed.

Staats said he felt the Soviet attache could have obtained the numbers of the reports elsewhere.

David Ryan, security officer at the FBI at the time the bureau was first informed of Kvasov's visits, said in a recent phone interview that he worked on the GAO's security review task force until early 1980, as an agent, and then after he retired, as a consultant for GAO.

Ryan said his group reviewed the hiring and security checks policies, the physical security of offices, locks and safes, and the protection of classified documents. After the review was completed, the agency began a series of improvements in its headquarters and sensitive regional and foreign offices.

He said he's convinced the security system there is now comparable to any U.S. agency outside the Pentagon and intelligence agencies.

Charles Bowsher, the new comptroller general, said in a recent phone interview that he was briefed on the Soviet attache's actions and is satisfied with the new security steps. He noted, however, that the new electronic security pass system will not be in place until next spring.